

# CROP Zones FAQs

These answers are meant as general guidelines.

## What does “CROP” zone stand for?

“CROP” stands for Community Reinvestment and Opportunity Program.

## Why CROP Zones established?

CROP zones are established to stimulate economic redevelopment, expand the commercial and industrial base, create new jobs, reduce sprawl, and increase tax revenues within the state by encouraging economic revitalization in designated areas.

## How is a CROP Zone defined?

First a community must request designation of a site.

### A CROP zone must be either:

A. A “Brownfield” zone (An industrial or commercial property that remains abandoned or underutilized in part because of environmental contamination or the fear of such contamination)

### B. Or has at least one of these characteristics:

1. There has been a population decrease over the past 20 years (according to census readings)
2. At least 51% of the households in the area have incomes less than 80% of the median income for households in the state
3. At least 20% of the households have a median income level below the poverty level
4. The zone contains:
  - I. Unused or underutilized industrial parks; or
  - II. Vacant land, or structures previously used for industrial, commercial, or retail purposes and designation of the zone as a CROP zone would likely result in the reduction of the rate of vacant or demolished structures or the rate of tax delinquency in the zone.

## How long will this initiative be in place?

The tax credits shall be available only for tax liabilities arising during the 5 consecutive tax periods including and following the date of certification by the commissioner.

## What does an employer need to do to qualify?

For a project to qualify it must expand the commercial or industrial base of the state, create new jobs in the state, and meet at least one of the following criteria:

- Creates a new facility.
- Makes expenditures to add buildings, machinery, or equipment to a facility that equal at least 50 percent of the market value.
- Makes expenditures to alter or repair a facility that equal at least 50 percent of the market value.
- Makes expenditures to alter or repair a vacant facility equal to at least 20 percent of the market value of the facility.

## What happens if my plans change from when I first apply?

If you fail to complete a project you forfeit the remaining tax credits that were part of the original agreement.

## What paperwork is involved?

To apply for the tax credits you must fill out form CPZ-2 available from the Department of Resources and Economic Development.

In addition, you must file a final report within 90 days of the completion of the project detailing their activities including the total of all investments used to complete the project.

## Is there a fee to participate?

Yes. There is a \$100 application fee. If paying by check or money order, the fee shall be made payable to: Treasurer, State of New Hampshire.

## How is the credit calculated?

Generally the CROP zone credit equals the amount of compensation your business pays new employees that resulted from the CROP Zone project you created.

## How much credit is available?

The State of New Hampshire has designated \$850,000 for tax credits.

## How can I claim the credit?

To apply for the tax credits you must fill out form CPZ-2 available from the Department of Resources and Economic Development.

## Who do I call with additional questions?

If you need to learn even more, contact me at the Division of Economic Development at (603) 271-2341 or via email [sarnett@nheconomy.com](mailto:sarnett@nheconomy.com).